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FISCAL IMPACT STATEMENT

LS 7306

BILL NUMBER: HB 1556

NOTE PREPARED: Apr 24, 2003

BILL AMENDED: Apr 24, 2003

SUBJECT: Charity Gaming and Lottery.

FIRST AUTHOR: Rep. Liggett

FIRST SPONSOR: Sen. C. Meeks

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill specifies that the Administrative Orders and Procedures Act applies to a protest or hearing related to the regulation of charity gaming by the Department of State Revenue. It also specifies that the Gaming Card Excise Tax is imposed upon distributors. The bill sets forth certain recordkeeping requirements for manufacturers and distributors. The bill provides that radio advertisements for charity gaming events must state the name of the organization conducting the advertised event and that the organization's license number is on file. It also provides that if an employee or officer of a manufacturer or distributor is a member of a bona fide civic or religious organization holding a charity gaming license, the membership may not be construed as an affiliation with the charity gaming operations of the organization. The bill also provides that the Indiana Gaming Commission's annual report is due on September 1 instead of March 1.

Effective Date: Upon passage; July 1, 2003; January 1, 2003 (Retroactive).

Explanation of State Expenditures: The bill changes the deadline for the Indiana Gaming Commission (IGC) to file its annual report from March 1 each year to September 1 each year beginning in 2003. The effective date of this provision is retroactive to January 1, 2003. This change is not expected to have any impact. However, the change will allow the IGC to produce the annual report on a fiscal year basis consistent with the new fiscal year collection basis of the Riverboat Wagering Tax.

Explanation of State Revenues: The bill specifies that the Charity Gaming Excise Tax is imposed on the price paid by the charity gaming license holder (instead of the wholesale price as required under current law) for pull tabs, punchboards, or tip boards. This provision could have an indeterminable impact on Excise Tax revenue. Reportedly, some distributors have, in the past, based the tax on the price they pay for the products

rather than the price paid by the charity gaming license holder. The bill also specifies that the Excise Tax is imposed on the licensed manufacturer or distributor that distributes the pull tabs, punchboards, or tip boards to a charity gaming license holder in Indiana. Thus, the bill makes clear that the Excise Tax is not imposed on the manufacturer of these products unless the manufacturer also distributes to licensed organizations. Currently, the Excise Tax is only imposed on distribution of pull tabs, punchboards, or tip boards to licensed organizations in Indiana. Thus, this provision will have no fiscal impact.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue; Indiana Gaming Commission.

Local Agencies Affected:

Information Sources: Jennifer Arnold, Indiana Gaming Commission (317) 233-0046.

Fiscal Analyst: Jim Landers, 317-232-9869